

ORIGINAL

In re: Application for increase)
in water rates in Orange County)
by Wedgefield Utilities, Inc.)
_____)

DOCKET NO. 991437-WU

Filed: September 13, 2000

**WEDGEFIELD UTILITIES, INC.'S
PETITION ON
PROPOSED AGENCY ACTION SETTING RATES**

Wedgefield Utilities, Inc. ("Wedgefield" or "the Utility"), by its undersigned counsel and pursuant to §367.081, Florida Statutes, hereby files its Petition on Proposed Agency Action Setting Rates to protest portions of Order No. PSC-00-1528-PAA-WU (PAA Order) entered in this Docket on August 23, 2000, and to request a formal hearing thereon pursuant to §120.57(1), Florida Statutes. As grounds for its protest and request for hearing, Wedgefield states:

1. The petitioner's name and address is:

Wedgefield Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714

2. Copies of all notices, orders, pleadings, discovery, and correspondence

regarding this Petition should be sent to the following attorney on behalf of petitioner:

Ben E. Girtman, Esq.
1020 E. Lafayette Street, Suite 207
Tallahassee, FL 32301
Telephone: (850)656-3232
Facsimile: (850)656-3233

3. The undersigned counsel for Wedgefield received a copy of the PAA Order from the Commission on August 23, 2000.

4. Wedgefield Utilities, Inc. is the applicant in this proceeding and is a party to this Docket. Wedgefield's substantial interests are affected by the PAA Order, because that Order proposes to establish rates for Wedgefield's water system in Orange County, Florida. Wedgefield submits that the rates proposed in the PAA Order are insufficient to provide the utility an opportunity to earn a fair rate of return on its property used and useful in the public service.

5. The portions of the PAA Order which Wedgefield protests are:

(a) The proposed determination of the portions of the source of supply and pumping plant accounts, the water treatment plant accounts, and the distribution reservoir and standpipes account, that should be classified as used and useful and therefore included in rate base;

(b) The proposed determination of the appropriate percentages representing the amount of property needed to serve customers after the test year which should be included in the used and useful calculation for the source of supply and pumping plant accounts, the water treatment plant accounts, and the distribution reservoir and standpipes account;

(c) The proposed determination of the amount of the land purchased on June 18, 1999, that should be included in the rate base;

(d) The proposed adjustment for unaccounted for water that should be included in the determination of used and useful plant and in the determination of electric and chemical expenses;

(e) The proposed allocation between the base facility charge and gallonage charge in the design of the conservation rate structure;

(f) The proposed determination of the rate case expense, which assumed that there was no protest to the PAA Order; and

(g) The proposed determination of the fall-out issues, including depreciation, accumulated depreciation, revenue requirement, monthly rates, and rate structure to the extent they are affected by each of the items identified in subparagraphs (a) through (f) above,

6. The following are the issues of material fact which Wedgefield believes are in dispute, and the ultimate facts alleged:

(a) What is the appropriate approach for determining used and useful for the source of supply and pumping plant accounts, the water treatment plant accounts, and the distribution reservoir and standpipes account? The appropriate approach is to calculate used and useful by component instead of as a single entity.

(b) What is the appropriate customer demand to be used in determining used and useful for the source of supply and pumping plant accounts, the water treatment plant accounts, and the distribution reservoir and standpipes account? The appropriate customer demand is the single maximum day for the test year, adjusted for anomalies.

(c) What is the appropriate means of determining, for each component, the amount of property needed to serve customers after the end of the test year? The appropriate means is to determine the amount using Rule 25-30.431, Florida

Administrative Code, and applying the resulting percentage to each component.

(d) What is the appropriate amount of the land purchased on June 18, 1999, that should be included in rate base? The appropriate amount is the test year average balance of 100% of the cost of the land.

(e) What is the appropriate allowance for unaccounted for water for the Wedgefield system? The appropriate allowance should reflect the practical and economic considerations of the Wedgefield system.

(f) What are the appropriate depreciation, accumulated depreciation, amortization, accumulated amortization, revenue requirement and monthly rates? The appropriate values for these items will be a fall-out from the determination of the previous issues, together with the portions of the PAA Order which have not been protested.

(g) What is the appropriate allocation between the base facility charge and gallonage charge in the design of the proposed conservation rate structure? The appropriate allocation is one which results in a larger amount of the required revenues being collected through the base facility charge than as determined in the PAA, in order to assure greater revenue stability.

(h) What is the appropriate amount of rate case expense? The appropriate amount of rate case expense will include all amounts reasonably incurred through the entry of the final order setting rates in this proceeding.

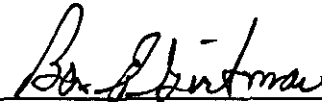
7. Other than as specifically set forth above, no other portion of the Order is protested herein.

8. Wedgefield is entitled to relief under Chapters 120 and 367, Florida Statutes, and Chapters 25-22 and 25-30, Florida Administrative Code.

WHEREFORE, Wedgefield requests that the Commission:

- (a) Hold a formal hearing pursuant to §120.57(1) and Chapter 367, Florida Statutes, on the portions of the PAA Order which are the subject of this protest;
- (b) Based on the record of such proceeding, set monthly rates which will allow the utility the opportunity to earn a fair rate of return on its property used and useful in the public service; and
- (c) Grant such other and further relief as the Commission may deem appropriate.

Respectfully submitted,



Ben E. Girtman
FL Bar No. 186039
1020 E. Lafayette St.
Suite 207
Tallahassee, FL 32301

Attorney for
Wedgefield Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been sent to the following by hand delivery this 13th day of September, 2000.

Patty Christensen, Esq.
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850



Ben E. Girtman

BEN E. GIRTMAN
Attorney at Law

1020 East Lafayette Street
Suite 207
Tallahassee, Florida 32301-4552

Telephone: (850) 656-3232
(850) 656-3233
Facsimile: (850) 656-3233

September 13, 2000

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Ms. Blanca Bayo
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 991437-WS, Application for increase in water rates in Orange County by
Wedgefield Utilities, Inc

Dear Ms. Bayo:

Enclosed for filing in the above referenced docket are the original and fifteen copies
of the following documents:

- a. Petition on Proposed Agency Action Setting Rates; and [REDACTED]
- b. Response and Petition on Final Order Initiating a Show Cause Proceeding [REDACTED]

Thank you for your assistance. If there are any questions, please let me know.

Sincerely yours,

Ben E. Girtman
Ben E. Girtman

Encls.

cc w/encls: Ms. Erin Nicholas
Mr. Frank Seidman

APP _____
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Done 9/14/00